

6. Compliance Audit Observations on PSUs (other than Power Sector)

The observations included in this Chapter highlight deficiencies in planning, and management of activities in the PSUs, which resulted in avoidable interest burden and non-adherence to prescribed rules/norms.

Gist of audit observations is given below:

- Eighteen PSUs were required to spend ₹ 84.27 crore towards Corporate Social Responsibility (CSR) activities during 2014-18, but they spent only an amount of ₹ 65.93 crore. Out of the amount spent, an amount of ₹ 14.28 crore was spent on ineligible activities and ₹ 14.63 crore was spent without recommendations from CSR Committee. The monitoring mechanism for the implementation of CSR was also found to be inadequate.

(Paragraph 6.1)

- PSUs failed to evolve an adequate system for estimation of their profits for assessing the tax liability and payment of advance tax leading to payment of avoidable interest of ₹ 6.64 crore.

(Paragraph 6.2)

- Karnataka State Road Transport Corporation failed to establish any norms for passenger-amenities until 2014-15. The norms brought out by the Corporation in May 2015/June 2016 were inadequate as they did not include/set reasonable standards for some of the essential amenities on hygiene, waste management and providing drinking water facilities at bus stations. The cleanliness and waste management at bus stations was poor as the facilities for segregation of waste, drinking water and clean toilets were found to be inadequate in 25 of 40 bus stations (63 per cent). The infrastructure for specially-abled passengers was also inadequate as there were no special toilet facilities (in 45 per cent), ramps (in 40 per cent) and railings (in 72 per cent).

(Paragraph 6.3)